

COUNTY BUDGET: HOW BEST TO SPEND LESS

Six months ago, upon becoming president of the County Council, I said that "hard times require hard choices" and that the Council would cut spending wisely, stick to the Charter Limit on property taxes, eliminate cost-of-living adjustments (COLAs) to avoid layoffs, and protect essential services and the safety net.

That's what the Council did on May 21 when it overwhelmingly approved an operating budget that for the first time in 18 years is a decrease from the prior year's tax-supported operating budget.

Crucial to this outcome was the agreement by Montgomery County Public Schools, County, and other agency employees to forgo negotiated COLAs next year, saving taxpayers \$125 million. This sacrifice by employees saved jobs, and helped the County maintain excellent public safety, public education, and emergency assistance services.

Although the Council and County Executive Ike Leggett worked shoulder-to-shoulder on the budget framework described above, the Council made significant changes to specific proposals in the Executive's budget based on testimony from nearly 200 speakers at five public hearings and from many who emailed us, based on advice from professional staff, and based on our best collective judgment and experience.

The Council heard concerns about the Executive's proposals to close the Gaithersburg and Bethesda district police stations to the public from 1 to 6 a.m., and to close the Piney Branch satellite station. The Council appropriated funds to keep them open.

The Council heard from residents that they would not be able to get to work if bus service were eliminated or reduced on 18 routes as initially proposed by the Executive. The Council allocated funds to maintain these routes. Both the Council and Executive supported keeping bus service free for seniors, people with disabilities, and youth after school.

The Council heard continuing strong opposition to an ambulance fee, including concerns that some people would hesitate to call for help. The Council did not approve the fee, and replaced the Executive's assumed ambulance fee revenues by cutting non-essential programs, while approving funds to purchase 14 new ambulances.

The Council did not approve the Executive's proposed retirement incentive plan that included buyouts of \$40,000 per employee. Our

Office of Legislative Oversight's analysis concluded that the plan would cost taxpayers \$17 - 20 million over the next decade, because it assumed replacing nearly all employees taking buyouts.

Due to several unresolved issues, including cost and liability, the Council deferred action on a measure agreed to by the Executive during COLA-elimination talks with the Fraternal Order of Police that would allow officers who live within 15 miles of Montgomery County as the crow flies to be eligible for a take-home car with unrestricted driving privileges within an area totaling more than 1,800 square miles outside the County. Although residents benefit from increased police presence when officers who live in the County (74% do) are provided a take-home patrol car for use within the County, it is hard to fathom how residents would benefit by paying for take-home patrol cars for officers who live in other counties.

Not only did the Council and Executive have to address a series of substantial cuts in state aid, but very late in the budget process the State Board of Education unreasonably rejected the County's request - a request supported by the County Board of Education - for a waiver of \$79.5 million from the State's maintenance of effort requirement for local education funding. In response, the Council approved the Executive's plan to charge MCPS \$79.5 million for debt service costs of school construction projects.

Despite our County's many strengths, the Council and Executive expect that FY 11 also will be a very difficult fiscal year. The Council will continue working closely with the Executive and listening to the public as we target increasingly scarce tax dollars to services that residents value most. The challenge again will be how best to spend less.

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